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|  | <p align="center">CUSTOMER SUPPORT SERVICES CONTRACTING POLICY</p> <p align="center">Internal Stakeholder Review Policy</p> | Revision 4.0 |
| | | Effective Date 11/01/14 |

1. PURPOSE

The purpose of this Policy is to establish Bonneville Power Administration's (BPA) requirements for the Internal Stakeholder Review (ISR) of Contract Actions. All Contracts Actions prior to execution or formal public review¹ shall be submitted to an ISR to ensure operational, financial, and legal risk management.

2. TERM

Customer Support Services (CSS), in collaboration with applicable Front, Middle, and Back Office stakeholders, will periodically review and revise this Policy to ensure it continues to serve agency objectives.

3. AUTHORITY

In accordance with *BPA Manual* Chapters 20 and 21, the CSS Director has established this policy to ensure agency Contract Actions are developed in conformance with CSS contracting standards.

4. SCOPE

All BPA Contract Actions, and the organizations responsible for initiating or administering them are subject to the requirements and guidelines set forth in this Policy².

5. DEFINITIONS

The following defined terms apply to this policy.

- a. **Account Executive/Authorized Delegate:** A BPA employee with delegation of authority under *BPA Manual Chapter 20* to execute Contract Actions.
- b. **Contract Action:** A contract, amendment, or exhibit revision initiated by BPA or a counterparty. Also, intra-agency agreements³ between BPAs Power and Transmission business units.
- c. **Contract Action Initiator:** The Account Specialist, Contract Specialist, Contract Administrator, or other employee responsible for developing a Contract Action

¹ Formal public review does not include informal sharing of contract language with the customer during contract negotiation and drafting.

² CCM onboarding of contract types is currently in process as part of the CCM3 Project; organizations that have completed the onboarding process are subject to the requirements of ISR Policy Rev. 4, whereas organizations that have not completing onboarding are subject to the requirements of ISR Policy Rev. 3.

³ For intra-agency agreements between BPA's business units, each BPA business unit will treat the other party as a counterparty.

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prior to its execution. For Contract Actions drafted by a counterparty, the Contract Action Initiator is the Account Specialist or employee assigned to that counterparty.

- d. **Customer Contract Management (CCM) System:** Electronic contract system that allows BPA to manage the lifecycle of contracts from creation to closeout, including document storage.
- e. **Originating Organization:** The BPA organization initiating development of a Contract Action.
- f. **Standard Contract Template:** A contract template, amendment template, or exhibit revision template that has been reviewed and endorsed by the Marketing and Sales, Front, Middle, and Back Office Policy and Standards Implementing Group (FOMOBO), and approved for use as a Standard Contract Template by the CSS Director.

6. ORIGINATING ORGANIZATION REQUIREMENTS

The following requirements must be adhered to by each Originating Organization, to ensure that a Contract Action is subject to operational, legal, and financial risk management, and to ensure that contract language can be implemented as written given BPAs current systems and business processes.

- a. **ISR Review Matrix:** Each Originating Organization must maintain a matrix of the internal stakeholder roles that are required to review its Contract Action. This matrix shall be stored in Appendix B of this policy, and the internal stakeholder roles must be consistent with the guidance found in Appendix A.
- b. **Review Requirements:** Each Originating Organization is responsible for setting internal stakeholder reviewer response expectations during the development of the matrix.
 - i. **Fatal Flaw Review:** In some cases, requirements set by: regulation, tariff controls, active agreements, or counterparty drafted agreements where BPA is the customer, may limit the drafter's ability to modify contract action language, (for example Transfer Service Agreements). For such contract actions, it is acceptable to limit review to aspects of implementation, and to ensure that the agreement contains no fatal flaws⁴.
 - ii. **Raising Concerns:** If an internal stakeholder is concerned that an agreement raises financial, legal, policy, or risk issues for BPA, the stakeholder should inform the Contract Action Initiator and the Account

⁴ The limitation of fatal flaw review located in 6(b)i does not apply to the Office of General Counsel (L).

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Executive/Authorized Delegate who has the authority to execute the Contract Action.

- c. **CCM System:** Each Originating Organization shall use the review and approve features of CCM to perform the ISR of a Contract Action prior to execution or formal public review.
- d. **CCM System Permissions:** Each Originating Organization's staff member, who is responsible for the review of a Contract Action, shall ensure that they have CCM user permissions that are consistent with the Document Access and Storage Policy, and adequate training sufficient to perform their reviewer functions.

7. ISR REQUIREMENTS

The following requirements must be adhered to by the Contract Action Initiator and where applicable, the Internal Stakeholder prior to the execution or formal public review of any Contract Action.

- a. **Internal Stakeholder Identification:** After the Contract Action Initiator has completed the final draft of the Contract Action, he or she must refer to Appendix B to identify the stakeholders who must participate in the ISR:
 - i. **Standard Contract Template:** A Standard Contract Template used without any variances and does not contain data elements does not require ISR.
 - ii. **Non Template Language, Template Variances, and Templates with Data Elements:** Review requirements for Contract Actions that contain non template language, template variances, or data elements, are identified in Appendix B of this policy⁵.
- b. **Coordinating the ISR:** Coordinating the ISR is a critical step to ensure sufficient internal stakeholder involvement. Therefore the Contract Action Initiator is responsible for coordinating the review of the Contract Action and whenever possible shall provide advance notice to each internal stakeholder to ensure their involvement during the ISR comment period. Upon notification, the internal stakeholder must make the Contract Action Initiator aware if they are unable to perform their reviewer functions and provide an alternate reviewer if possible.
- c. **Initiating the ISR:** Once the internal stakeholder(s) is identified and the review has been coordinated, the Contract Action Initiator must submit the Contract Action and any accompanying documents to the internal stakeholders, via CCM.


⁵ This includes requirements for Core Account Team (CAT) team reviews.

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- d. **Internal Stakeholder Responsibilities:** An internal stakeholder should participate fully, read all materials, and protect the confidentiality of any Contract Action, while performing the review in a timely manner.
- e. **Internal Stakeholder Response:** An internal Stakeholder must either respond to an assigned CCM review within 5 working days unless the Contract Action Initiator allows for an extension, or requests an expedited review as provided below.
 - i. **Expediting the Review:** A Contract Action Initiator may request an expedited review of a Contract Action. Internal stakeholders should honor **any reasonable request for an expedited review, or notify the Contract Action Initiator** if the expedited review cannot be accommodated. Contract Action Initiators are responsible for incorporating the 5 working day timeframe for review and comment of a Contract Action into their project work plans. Expedited review requests should be an exception, not the rule, and should not be abused.
 - ii. **Extending the Review:** An internal stakeholder may request an **extension of the review and comment period.** The Contract Action Initiator should honor any reasonable internal stakeholder request for an extension of the review and comment period. Request for extending the review and comment period should be an exception, not the rule, and should not be abused.
- f. **Resolution of Internal Stakeholder Comments:** If there are comments and/or issues raised by an internal stakeholder, the Contract Action Initiator shall consult with the Account Executive/Authorized Delegate and other internal stakeholders as appropriate to address the comments. The Account Executive/Authorized Delegate has final decision authority over Contract Actions, so long as the Account Executive/Authorized Delegate's actions are consistent with their delegation of authority.
 - i. **Changes to the Contract Action During or After the ISR Comment Period:** If changes are made to the Contract Action during or after the ISR comment period, that Contract Action must be resubmitted to an ISR.

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- ii. **Spelling Corrections to the Contract Action:** If spelling corrections are made during or after the ISR, no additional review of such modifications is needed.
- iii. **Changes to non Financial Technical Data:** Changes to non financial technical data, (for example: equipment descriptions, one line diagrams), does not require additional review by Legal or Finance, unless indicated otherwise by the reviewing Attorney or Finance Representative.

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Appendix A: Matrix Guidance

To ensure that Internal Stakeholders who are responsible for implementing, administering, or managing risks related to a Contract Action, have an opportunity to review proposed contract language before it becomes an obligation, the following guidelines must be adhered to when designating stakeholders roles on Appendix B.

| Mandatory Internal Stakeholders | |
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| Designated Representative(s) from Office of General Counsel (L) Designated Representative(s) from Finance (F) ⁶ | |
| Conditional Internal Stakeholders | Condition(s) |
| Account Executive/ Authorized Delegate | Determined by the Account Executive or Authorized Delegate. |
| Account Specialist | An Account Specialist is responsible for providing support for any part of the Contract Action or an agreement related to the Contract Action. |
| Contract Administrator | A Contract Administrator responsible for implementing any part of the Contract Action or an agreement related to the Contract Action. |
| Designated Representative(s) from Agency Compliance and Governance (DG) | Contract Action involves Standards of Conduct issues or information sharing between Transmission Services and Power Services. |
| Designated Representative(s) from Transacting and Credit Risk Management (DBC) | Contract Action is of high risk (financial instruments, non-standard products, or non-published rates), creditworthiness, or early contract termination. |
| Designated Representative(s) from Environmental Planning and Analysis (KEC) | Contract Action falls under the National Environmental Policy Act (NEPA) and is not covered by an existing NEPA document. |
| Designated Representative(s) from any organization responsible for implementing any part of the Contract Action. | An organization has requested to be involved in the ISR process based on Implementation responsibilities. |

⁶ Exceptions to the mandatory finance review can be found on Appendix B.

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Appendix B: ORG Specific ISR Review Matrices and SharePoint Matrix Links⁷

⁷ This page will be populated with links to each organization's specific review requirements based on contract types once they are developed.